

AGENDA

**DES MOINES CITY COUNCIL
STUDY SESSION
City Council Chambers
21630 11th Avenue S, Des Moines, Washington
Thursday, October 3, 2024 - 6:00 PM**

City Council meeting can be viewed live on the City's website, Comcast Channel 21/321 or on the City's [YouTube](#) channel.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CORRESPONDENCE

COMMENTS FROM THE PUBLIC

Comments from the public must be limited to the items of business on the Study Session Agenda. Please sign in prior to the meeting and limit your comments to three (3) minutes.

DISCUSSION ITEMS

Item 1. BUDGET UPDATE

[2025 2026 Budget Update
Budget Presentation](#)

EXECUTIVE SESSION

NEXT MEETING DATE

October 10, 2024 City Council Regular Meeting

ADJOURNMENT

[Public Comment 10.03.2024](#)

A G E N D A I T E M

BUSINESS OF THE CITY COUNCIL
City of Des Moines, WA

SUBJECT: : 2025/2026 Budget Update

FOR AGENDA OF: October 3, 2024

ATTACHMENTS:

- 1. All-Staff Budget Meeting Presentation Slides

DEPT. OF ORIGIN: Finance

DATE SUBMITTED: September 26, 2024

CLEARANCES:

- City Clerk _____
- Community Development _____
- Courts _____
- Director of Marina Redevelopment _____
- Emergency Management _____
- Finance *MH* _____
- Human Resources _____
- Legal */s/ MH* _____
- Marina _____
- Police _____
- Parks, Recreation & Senior Services _____
- Public Works _____

APPROVED BY CITY MANAGER
FOR SUBMITTAL: *[Signature]* _____

Purpose

The purpose of this item is to update the City Council on the budget strategies that have been employed in the proposed preliminary budget submitted on October 1, 2024. Staff is now seeking additional Council feedback on strategies contained in the preliminary budget.

Discussion

Last year, on September 14, 2023, the City Council was presented with a five-year financial forecast which projected the solvency of the General Fund's Fund Balance was vulnerable to decline due to the post-COVID economic impacts of inflation and rising labor costs. Revenues were growing but could not keep pace with rapidly increasing costs. Balancing the 2024 budget required the use of about \$1.3M of American Rescue Plan Act (ARPA) funds to aid in plugging the budget gap. Some expenditures, such as funding the costs of fleet replacement had also been significantly reduced in the budget.

As a result of concerns identified during last year's budget process, the Council formed a Finance Committee to review options leading up to this budget process for 2025/26. The Committee has been meeting monthly to explore options to reduce expenditures and raise revenues and has been continually updated on the City's financial status.

On September 5, 2024, Council was again presented a five-year financial forecast that projected declining fund balances for the General Fund. According to the forecast, ending fund balance would be negative in the General Fund beginning in 2025. State law requires municipalities to adopt balanced budgets – budgets whose expenditures do not exceed their revenue and fund balance.

During the September 5th presentation, staff presented various budget strategies to address the budget deficit of which Council provided feedback. Since the presentation on September 5th, staff have also sought original budget strategy ideas from Councilmembers and all City workers.

Work continues on the proposed preliminary 2025/2026 budget which will be submitted to the City Clerk on October 1st. As such, the related budget numbers are not available at the time of this writing, but will be presented to Council at the October 3rd study session.

In lieu of updated information, the most recent budget presentation slides from the all-staff budget meeting is attached to this agenda item.

2025/2026 Biennial Budget

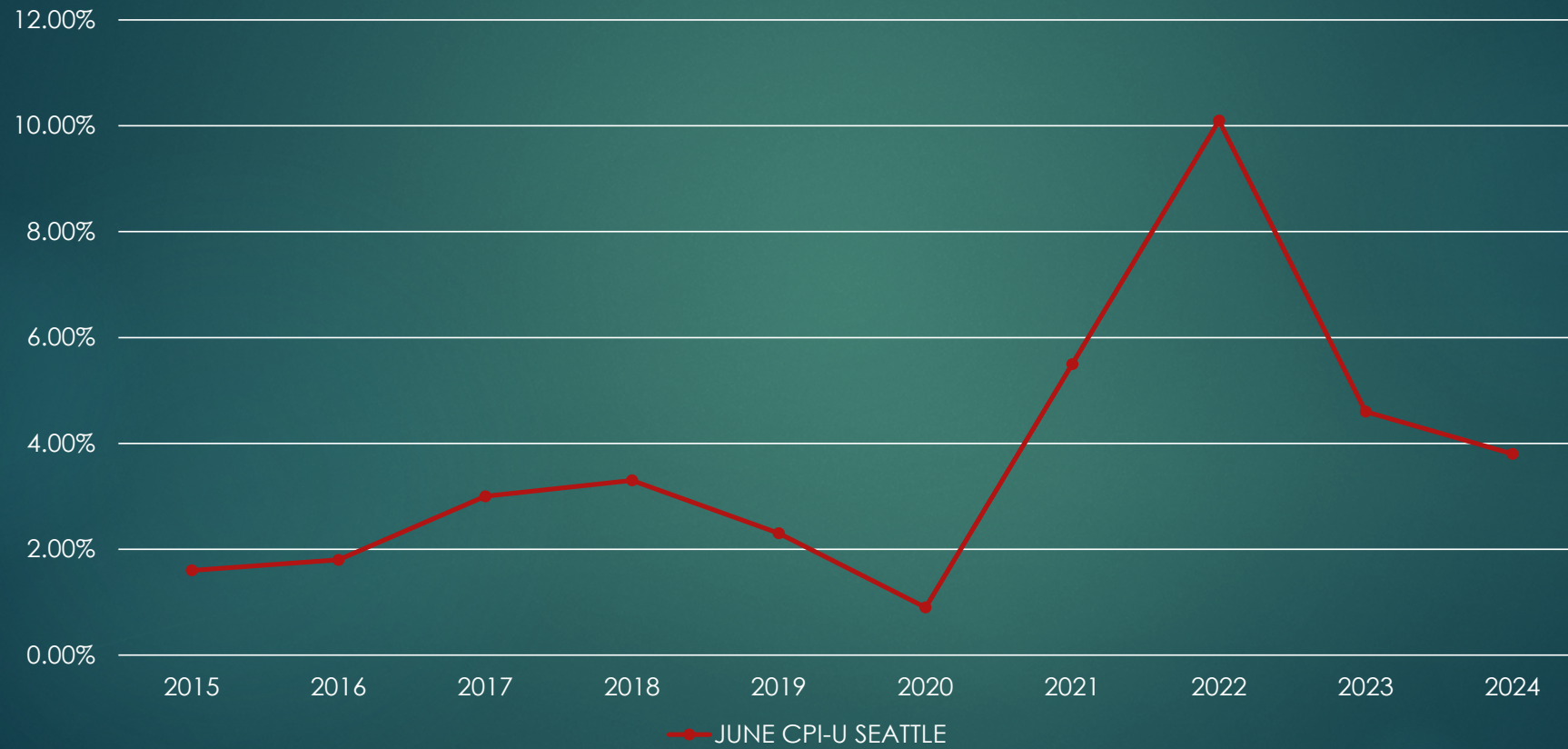
CITY OF DES MOINES, WASHINGTON



Economic Environment

Inflation Rates

JUNE CPI-U SEATTLE



Inflation Rates

- ▶ 2021 – 5.5%
- ▶ 2022 – 10.1%
- ▶ 2023 – 4.6%
- ▶ 2024 – 3.8%

- ▶ From 2020 to 2024 costs have risen 24%
 - ▶ What cost \$1.00 in 2020 costs \$1.24 in 2024

Seattle

City Council gets its 'audit' showing inflation, wages at center of Seattle's ballooning budget

Posted on [Thursday, May 2, 2024 - 9:00 am](#) by [jseattle](#)

A review of the city's spending plan by the **City Council** reveals **Seattle City Hall** is facing the same pressures as the rest of the nation when it comes to ballooning costs. A new study reveals nearly 80% of Seattle's \$1.7 billion budget increase is due to inflation and soaring wages. New programs accounted for only 19% of the jump with the remaining two percent of spending being powered by one-time revenue injections like federal aid during the pandemic.

The review comes as Seattle faces [a looming \\$230+ million budget hole](#).

King County



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Jim Brunner WA Legislature Seattle Election 2024 Danny Westneat

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Legislature passes bills that may help King County's budget crisis

March 25, 2024 at 6:00 am | Updated March 25, 2024 at 6:00 am



By [David Gutman](#)
Seattle Times staff reporter

Last fall, King County Executive Dow Constantine issued dire warnings about the county's budget situation: Without help from the Legislature, it would be forced to shutter all or almost all of its 10 public health clinics.

The county's general fund is fueled almost entirely by property taxes, and Olympia strictly limits how much counties can collect in those taxes. With inflation running hot the last several years, [Constantine said, the county's expenses](#) were outpacing the money it was able to bring in.

Edmonds

Edmonds mayor makes first pitch of plan to fill \$20.5M budget deficit

The city used \$12.5 million in one-time funds and \$8 million from reserves to balance its 2024 budget — with a deficit looming.

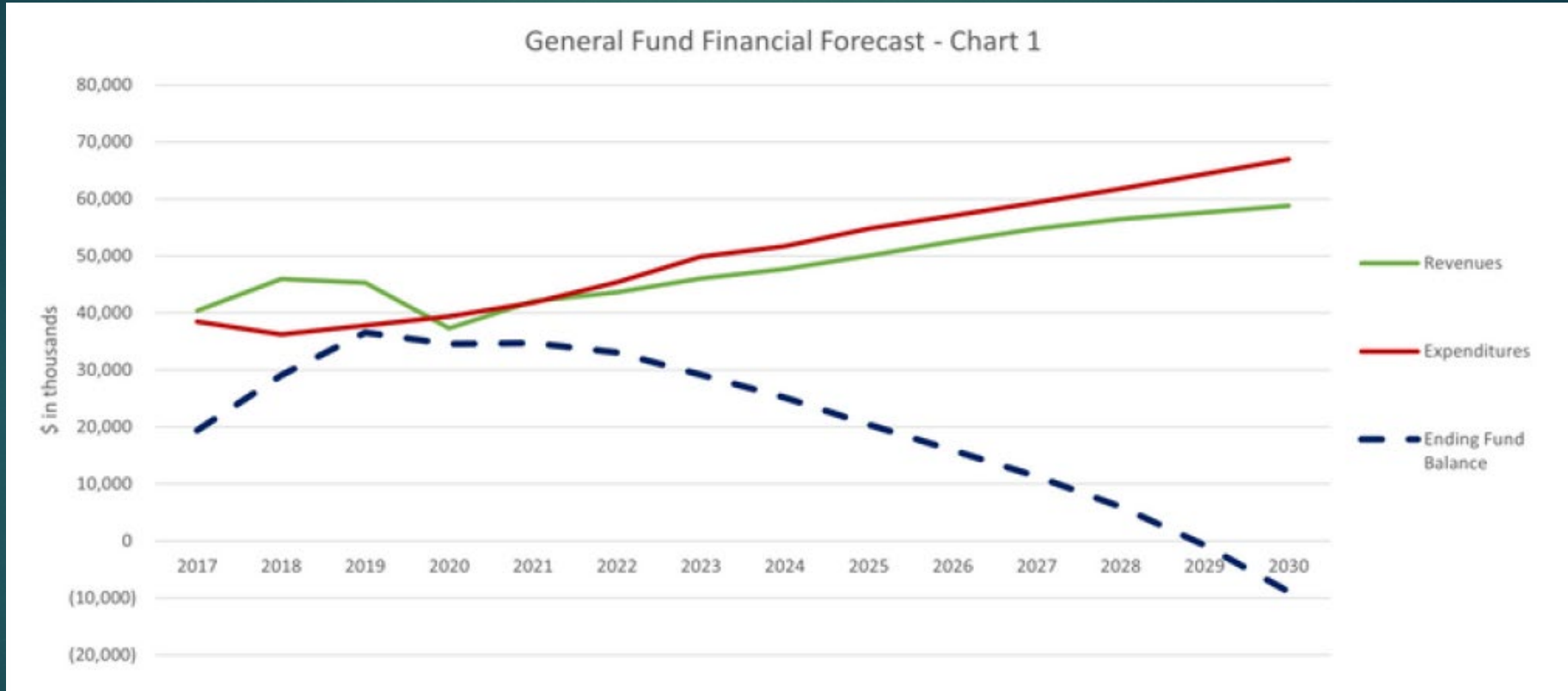
“Inflation spiked city costs by 21.7% over the past three years, but state law only allows cities to increase taxes by a maximum of 1% annually.”

- HeraldNet

“That’s pretty much a recipe for a slow death if your costs are going up by that kind of pace and you can’t increase your revenue by anywhere near that”

- Edmonds Mayor Mike Rosen

SeaTac



Ballot Measures

PASSED

- ▶ **City of Covington** – Sales and Use Tax for Transportation - .2% increase
- ▶ **City of Snoqualmie** – Sales and Use Tax for Public Safety - .1% increase
- ▶ **City of Maple Valley** – Public Safety Property Tax Levy Lid Lift - \$.45 increase (November 2023)
- ▶ **City of Buckley** – EMS Services Property Tax Levy Lid Lift - \$.20 increase
- ▶ **City of Gig Harbor** – Public Safety Sales Tax - .1% increase

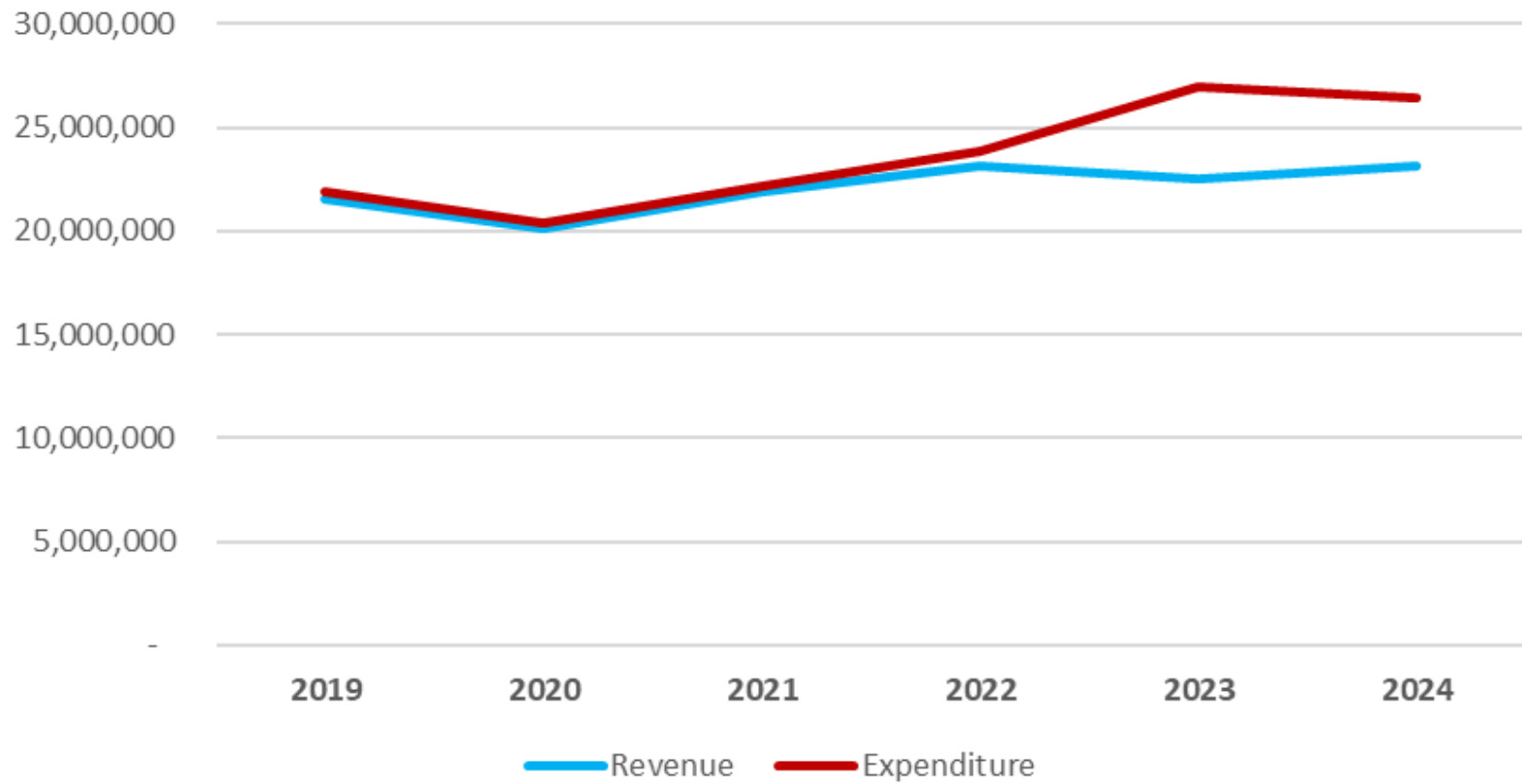
FAILED

- ▶ **City of Des Moines** – Public Safety Property Tax Levy Lid Lift - \$.50 increase
- ▶ **City of Everett** – Public Safety Property Tax Levy Lid Lift - \$.67 increase
- ▶ **City of Gig Harbor** – Public Safety Property Tax Levy Lid Lift - \$.40 increase (April 2024)

City of Des Moines

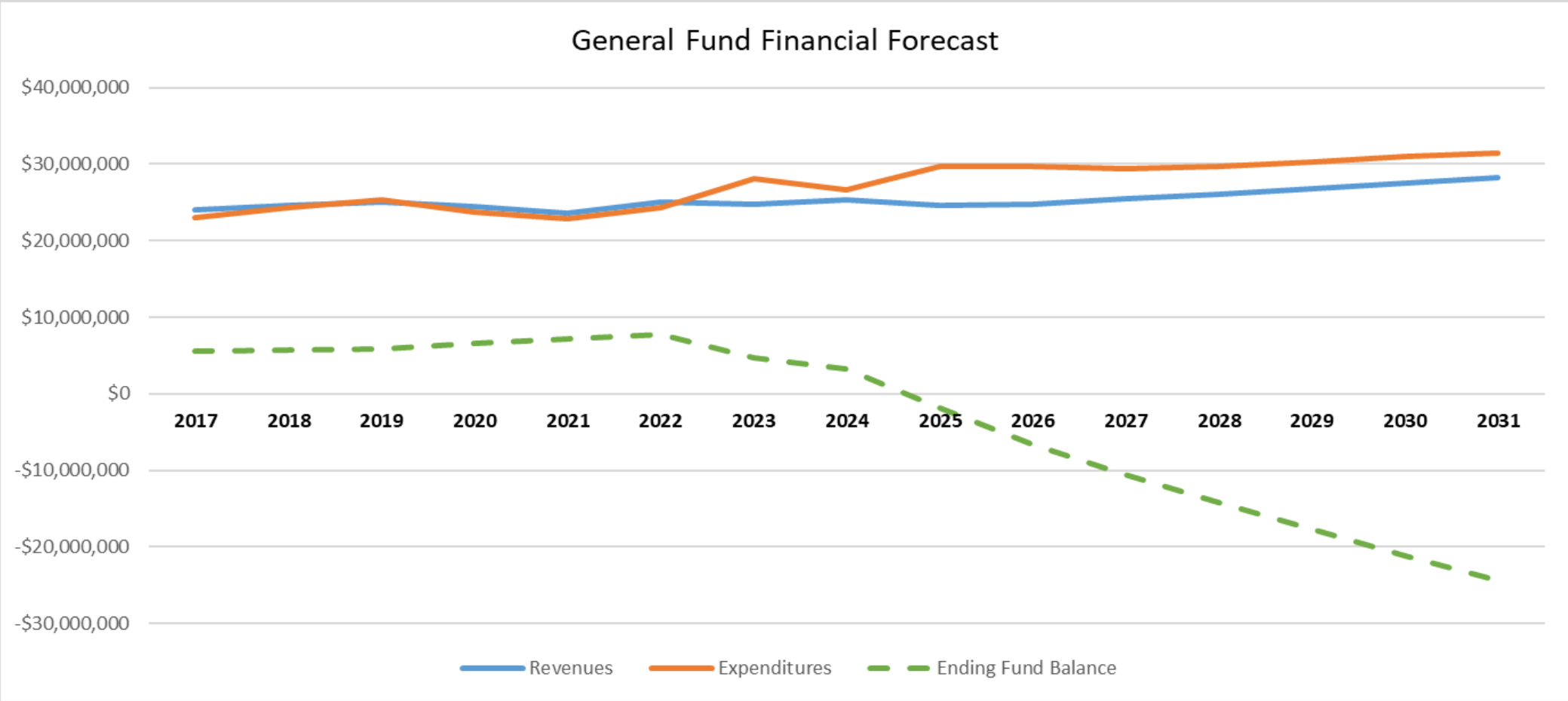
2025-2031 GENERAL FUND									
	REVISED ANNUAL BUDGET	PROJECTED ACTUALS	BUDGET		FORECAST				
	2024	2024	2025	2026	2027	2028	2029	2030	2031
BEGINNING FUND BALANCE	\$ 5,210,847	\$ 4,671,467	\$ 3,879,031	\$ (710,890)	\$ (5,044,813)	\$ (9,353,840)	\$ (13,380,941)	\$ (17,386,238)	\$ (21,393,155)
Operating Revenues									
Taxes	18,623,676	17,890,602	19,026,759	19,288,776	19,735,814	20,214,805	20,831,414	21,481,822	22,168,323
Licenses and Permits	315,000	315,000	325,500	341,500	346,250	356,250	356,250	361,250	361,250
Intergovernmental	1,043,304	1,037,472	859,397	837,201	1,005,500	1,041,463	1,079,223	1,118,872	1,160,503
Fees/Charges/Fines	2,390,594	1,857,850	1,826,350	1,861,990	1,825,300	1,825,300	1,775,300	1,775,300	1,775,300
Other	2,131,561	2,046,411	2,284,558	2,356,623	2,363,197	2,415,992	2,474,342	2,528,259	2,557,755
	<u>24,504,135</u>	<u>23,147,335</u>	<u>24,322,564</u>	<u>24,686,090</u>	<u>25,276,061</u>	<u>25,853,810</u>	<u>26,516,529</u>	<u>27,265,503</u>	<u>28,023,131</u>
Operating Expenditures									
Policy and Support Services	6,962,913	6,709,697	7,754,909	7,815,402	8,256,643	8,105,416	8,265,701	8,751,644	8,627,281
Public Safety Services	14,929,580	14,627,620	16,184,314	16,073,304	16,296,418	16,651,265	17,020,181	17,189,142	17,559,964
Community Services	5,068,843	4,331,471	4,626,530	4,649,267	4,605,627	4,697,830	4,809,544	4,905,233	5,022,565
Other	277,600	226,600	346,732	482,041	426,400	426,400	426,400	426,400	426,400
	<u>27,238,936</u>	<u>25,895,388</u>	<u>28,912,485</u>	<u>29,020,014</u>	<u>29,585,088</u>	<u>29,880,911</u>	<u>30,521,826</u>	<u>31,272,420</u>	<u>31,636,210</u>
** Net Activity ("Operating revenues over (under))	(2,734,801)	(2,748,053)	(4,589,921)	(4,333,924)	(4,309,027)	(4,027,101)	(4,005,297)	(4,006,916)	(3,613,079)
ONE-TIME ACTIVITIES									
Revenues									
Sound Transit		212,944	154,868	19,359	-	-	-	-	-
American Rescue Plan Funding	1,850,617	1,850,617			-	-	-	-	-
One-Time Sales & B&O Tax Revenues	265,000	105,000			-	-	-	-	-
Total One-Time Revenues	2,115,617	2,168,561	154,868	19,359	-	-	-	-	-
One-time Expenditures									
Transfer Out - One-Time Sales & B&O Tax	-	-			-	-	-	-	-
ARPA Expenditures		-			-	-	-	-	-
Sound Transit related expenditures		(212,944)	(154,868)	(19,359)	-	-	-	-	-
Total One-Time Expenditures	-	(212,944)	(154,868)	(19,359)	-	-	-	-	-
Change in Fund Balance	(619,184)	(792,436)	(4,589,921)	(4,333,924)	(4,309,027)	(4,027,101)	(4,005,297)	(4,006,916)	(3,613,079)
ENDING FUND BALANCE	\$ 4,591,663	\$ 3,879,031	\$ (710,890)	\$ (5,044,813)	\$ (9,353,840)	\$ (13,380,941)	\$ (17,386,238)	\$ (21,393,155)	\$ (25,006,234)
GFOA Target of 60 days (approx. 16.67%)	<u>4,540,731</u>	<u>4,316,761</u>	<u>4,819,711</u>	<u>4,837,636</u>	<u>4,931,834</u>	<u>4,981,148</u>	<u>5,087,988</u>	<u>5,213,112</u>	<u>5,273,756</u>
Reserve (shortfall) surplus to GFOA Target	<u>50,933</u>	<u>(437,730)</u>	<u>(5,530,601)</u>	<u>(9,882,450)</u>	<u>(14,285,674)</u>	<u>(18,362,089)</u>	<u>(22,474,227)</u>	<u>(26,606,267)</u>	<u>(30,279,990)</u>
Ending Reserve - % Total Operating Expenditures	16.86%	14.98%	-2.46%	-17.38%	-31.62%	-44.78%	-56.96%	-68.41%	-79.04%

General Fund Structural Revenue and Expenditures

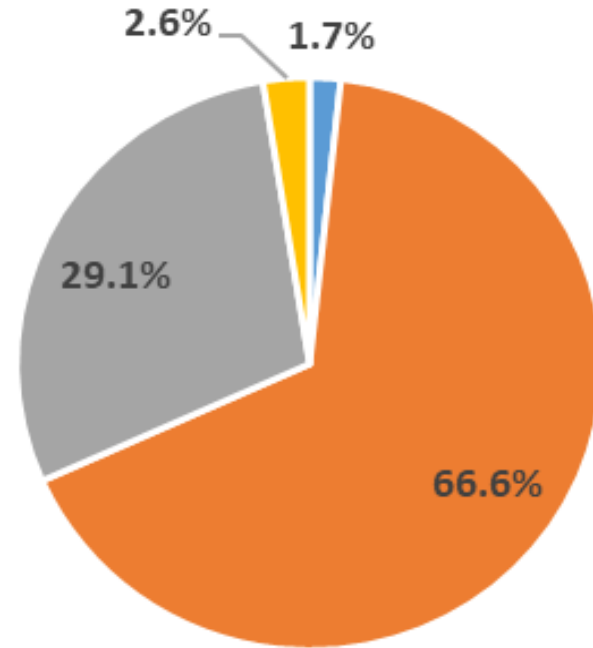




General Fund Financial Forecast

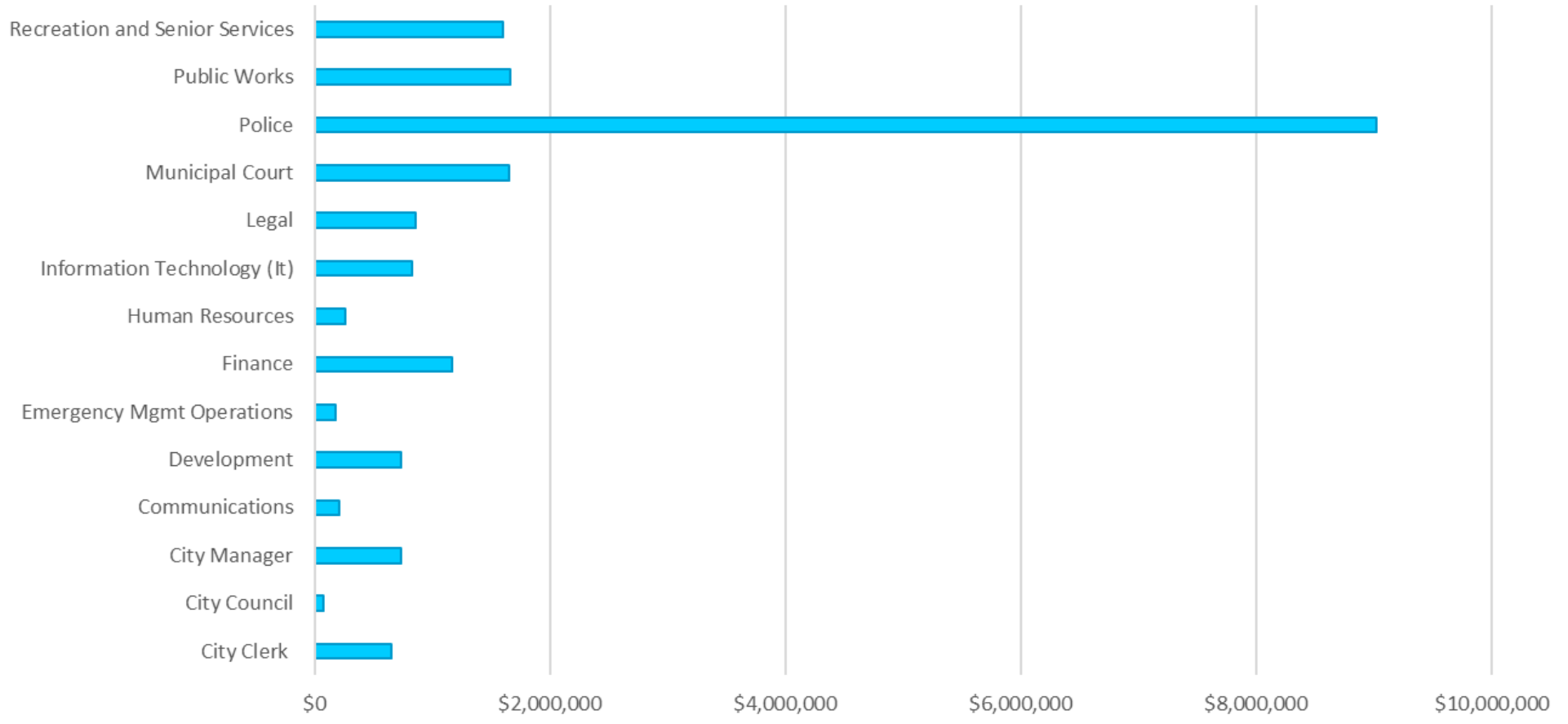


2025 General Fund Budget

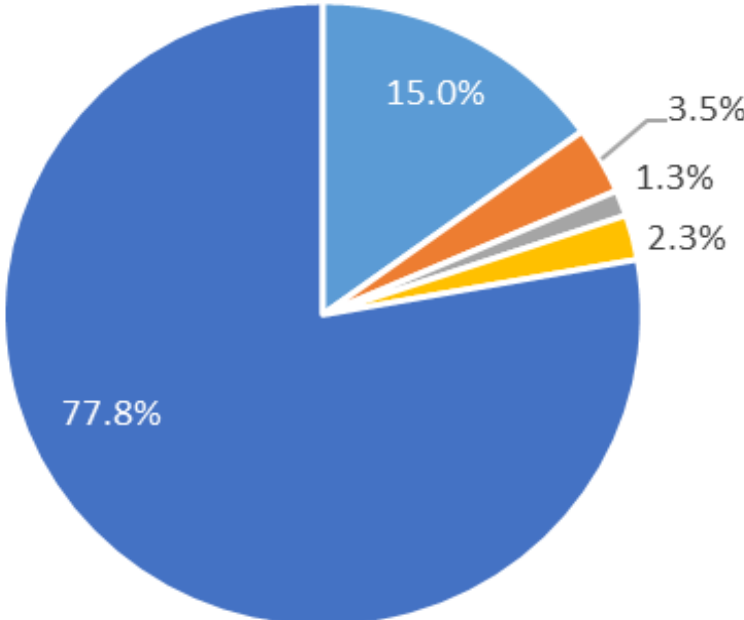


■ Other ■ Salary and Benefits ■ Services ■ Supplies

2025 Salary and Benefits by Department

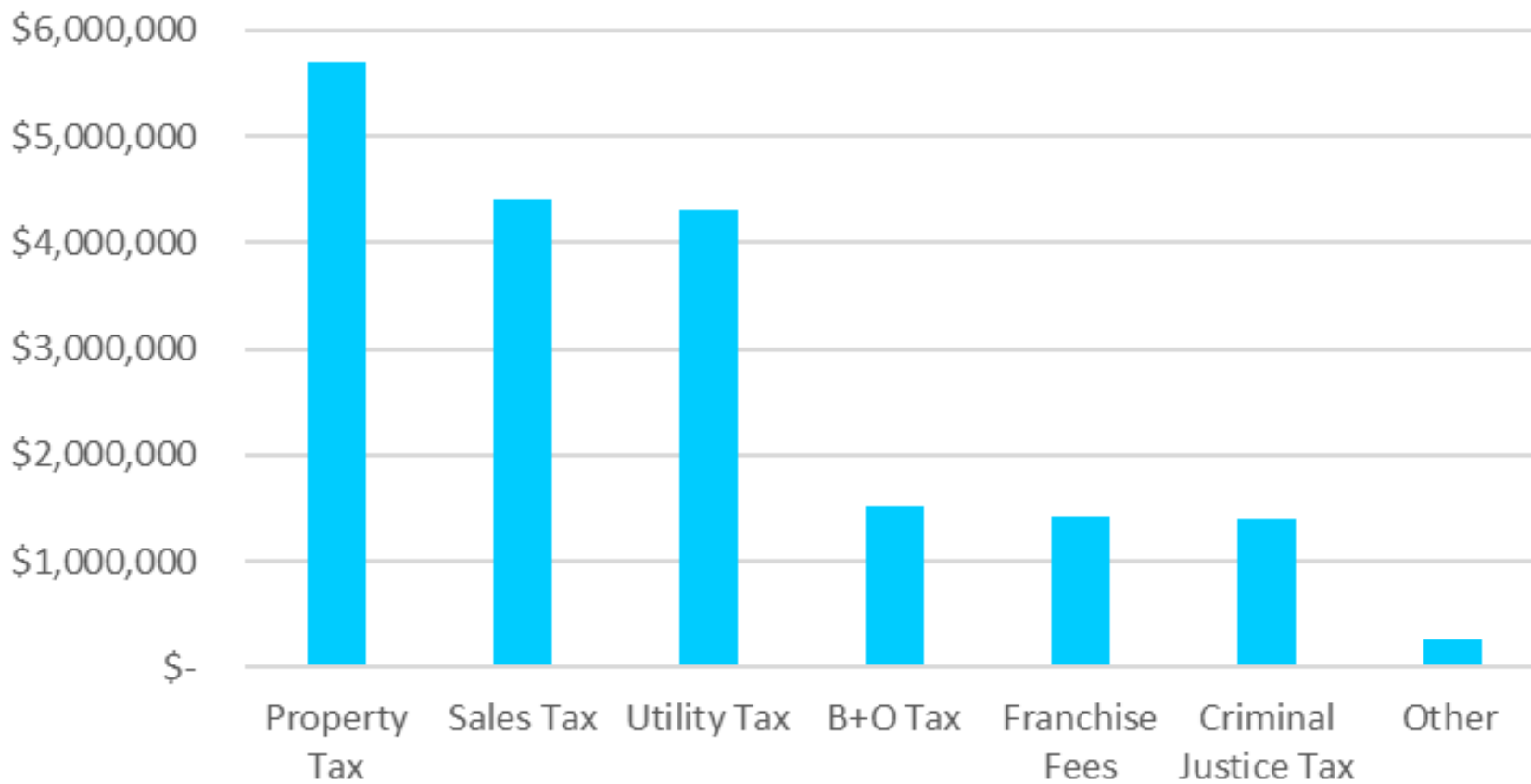


2025 General Fund Revenue by Type




■ Fees/Charges for Services/Fines ■ Intergovernmental ■ Licenses and Permits ■ Other ■ Taxes

2025 Taxes by Type



Budget Strategies

- 
- ▶ A balanced budget refers to the budgeting concept that appropriations should not exceed resources available to cover these expenditures.
 - ▶ Cities and towns are required to pass a balanced budget (RCW 35.33.075, 35A.33.075, 35.34.120, and 35A.34.120).

2025/2026 Revenue

- Business licenses - **\$112,000**
- Public records request fee increase - **\$20,000**
- Utility tax on non-franchise prohibited utilities - **\$88,500**

2025/2026 Expenditures



- Terminate Wesley Senior Services contract/Reorganize Recreation/Senior Services/Events and Facility Rentals - **\$150,000**
- Close Redondo substation - **\$36,400**
- Eliminate Human Services spending - **\$250,000**
- Eliminate advisory committees - **\$30,000**

2025/2026 Expenditures

- End Burien Cares contract- **\$100,000**
- End watering downtown flower baskets- **\$40,000**
- Freeze General Fund vacancies - **\$230,000**
- Retain One-Time Sales and B+O Tax - **\$275,000**
- Reduce Cost of Living Adjustment

2025/2026 Expenditures



- Eliminate City Currents - **\$60,000** annually plus **\$20,000** postage
- Eliminate Channel 21 - **\$50,000**
- Reduce training and travel budget - **\$60,000**

2025/2026 Expenditures



- Eliminate City Currents - **\$60,000** annually plus **\$20,000** postage
- Eliminate Channel 21 - **\$50,000**
- Reduce services and supplies- **\$100,000**

2025/2026 Expenditures



- Cancel city funded events
 - ▶ Waterland Weekend
 - ▶ July 4th
 - ▶ Summer Concerts and Park Events
- Increase participation fees in City programs or eliminate programs
- Staff layoffs/furloughs

How to Help

Ideas of how to increase revenue or decrease costs?

Let your supervisor know!

2025/2026 PROPOSED PRELIMINARY BUDGET

CITY OF DES MOINES, WASHINGTON



HELPFUL LINKS

- FINANCE DEPARTMENT WEBPAGE
 - BUDGET FAQs
 - Long-Term Debt – Coming Soon!

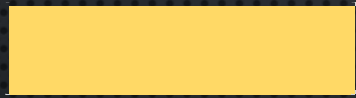
2024 GENERAL FUND FORECAST

	2024-2028 GENERAL FUND						
	BUDGET	REVISED BUDGET	BUDGET	FORECAST			
	2023	2023	2024	2025	2026	2027	2028
BEGINNING FUND BALANCE	\$ 6,947,169	\$ 7,807,793	\$ 5,216,360	\$ 5,115,863	\$ 3,506,479	\$ 2,425,677	\$ 1,828,110
Operating Revenues	23,289,489	22,788,782	24,081,982	25,019,279	26,037,940	26,915,315	27,942,053
Operating Expenditures	(26,294,193)	(24,998,071)	(25,686,294)	(26,828,663)	(27,318,742)	(27,712,882)	(28,121,567)
** Net Activity ("Operating revenues over (under) operating expenditures")	(3,004,704)	(2,209,289)	(1,604,312)	(1,809,384)	(1,280,802)	(797,567)	(179,514)
<u>ONE-TIME ACTIVITIES</u>							
Revenues							
Sound Transit	263,000	263,000	212,944	-	-	-	-
American Rescue Plan Funding	994,259	1,269,968	1,850,617	-	-	-	-
One-Time Sales & B&O Tax Revenues	262,500	262,500	265,000	250,000	250,000	250,000	250,000
Total One-Time Revenues	1,519,759	1,795,468	2,328,561	250,000	250,000	250,000	250,000
One-time Expenditures							
Transfer Out - One-Time Sales & B&O Tax to Fund 309	-	-	-	(50,000)	(50,000)	(50,000)	(50,000)
ARPA Expenditures	(814,780)	(1,269,968)	(611,802)	-	-	-	-
Guild Retro Payment	-	(644,644)	-	-	-	-	-
Sound Transit related expenditures	-	(263,000)	(212,944)	-	-	-	-
Total One-Time Expenditures	(814,780)	(2,177,612)	(824,746)	(50,000)	(50,000)	(50,000)	(50,000)
Change in Fund Balance	(2,299,725)	(2,591,433)	(100,497)	(1,609,384)	(1,080,802)	(597,567)	20,486
ENDING FUND BALANCE	\$ 4,647,444	\$ 5,216,360	\$ 5,115,863	\$ 3,506,479	\$ 2,425,677	\$ 1,828,110	\$ 1,848,597
GFOA Target of 60 days (approx. 16.67%)	4,383,242	4,167,178	4,281,905	4,472,338	4,554,034	4,619,737	4,687,865
Reserve (shortfall) surplus to GFOA Target	264,202	1,049,182	833,958	(965,859)	(2,128,357)	(2,791,627)	(2,839,268)
Ending Reserve - % Total Operating Expenditures	17.67%	20.87%	19.92%	13.07%	8.88%	6.60%	6.57%

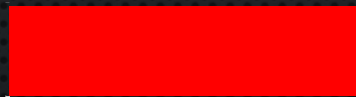
COLORS



= greater than 16.67% threshold



= greater than \$0 but less than 16.67% threshold



= less than \$0

STAFF ACKNOWLEDGEMENT

FORECASTS AND STRATEGIES

GENERAL FUND FORECAST

	2025-2031 GENERAL FUND									
	REVISED ANNUAL BUDGET 2024	PROJECTED ACTUALS 2024	BUDGET		FORECAST					
			2025	2026	2027	2028	2029	2030	2031	
BEGINNING FUND BALANCE	\$ 5,210,847	\$ 4,671,467	\$ 4,154,919	\$ 3,318,033	\$ 1,689,477	\$ (615,504)	\$ (2,913,793)	\$ (5,179,524)	\$ (7,134,806)	
Operating Revenues										
Taxes	18,623,676	17,890,602	19,294,759	19,556,776	20,278,814	20,757,805	21,374,414	22,024,822	22,711,323	
Licenses and Permits	315,000	315,000	425,500	441,500	446,250	446,250	451,250	451,250	451,250	
Intergovernmental	1,043,304	1,037,472	859,397	872,201	1,005,500	1,041,463	1,079,223	1,118,872	1,160,503	
Fees/Charges/Fines	2,177,650	1,857,850	1,829,100	1,865,990	1,825,300	1,825,300	1,775,300	1,775,300	1,775,300	
Other	2,131,561	2,046,411	2,110,758	2,184,823	2,152,057	2,200,629	2,254,672	2,304,196	2,329,210	
	<u>24,291,191</u>	<u>23,147,335</u>	<u>24,519,514</u>	<u>24,921,290</u>	<u>25,707,921</u>	<u>26,271,447</u>	<u>26,934,859</u>	<u>27,674,440</u>	<u>28,427,586</u>	
Operating Expenditures										
Policy and Support Services	6,955,113	7,209,697	6,647,000	6,832,078	7,380,174	7,498,330	7,657,168	7,819,611	7,962,750	
Public Safety Services	14,929,580	15,127,620	15,781,932	15,878,142	16,276,052	16,630,713	16,999,455	17,171,540	17,542,312	
Community Services	4,855,899	3,905,583	3,892,468	4,114,626	4,356,677	4,440,693	4,543,968	4,638,571	4,747,165	
Other	277,600	226,600	-	-	-	-	-	-	-	
	<u>27,018,192</u>	<u>26,469,500</u>	<u>26,321,400</u>	<u>26,824,846</u>	<u>28,012,903</u>	<u>28,569,735</u>	<u>29,200,590</u>	<u>29,629,722</u>	<u>30,252,227</u>	
** Net Activity ("Operating revenues over	(2,727,001)	(3,322,165)	(1,801,886)	(1,903,556)	(2,304,982)	(2,298,288)	(2,265,731)	(1,955,282)	(1,824,641)	
ONE-TIME ACTIVITIES										
Revenues										
Sound Transit	212,944	212,944	154,868	19,359	-	-	-	-	-	
American Rescue Plan Funding	1,850,617	2,450,617	-	-	-	-	-	-	-	
One-Time Sales & B&O Tax Revenues	265,000	105,000	275,000	275,000	225,000	175,000	175,000	175,000	175,000	
From closed Capital Project	-	250,000	-	-	-	-	-	-	-	
Sale of property	-	-	690,000	-	-	-	-	-	-	
Total One-Time Revenues	2,328,561	3,018,561	1,119,868	294,359	225,000	175,000	175,000	175,000	175,000	
One-time Expenditures										
Sound Transit related expenditures	(212,944)	(212,944)	(154,868)	(19,359)	-	-	-	-	-	
ARPA Expenditures	-	-	-	-	-	-	-	-	-	
Transfer Out - One-Time Sales & B&O Tax	-	-	-	-	(225,000)	(175,000)	(175,000)	(175,000)	(175,000)	
Total One-Time Expenditures	(212,944)	(212,944)	(154,868)	(19,359)	(225,000)	(175,000)	(175,000)	(175,000)	(175,000)	
Change in Fund Balance	(611,384)	(516,548)	(836,886)	(1,628,556)	(2,304,982)	(2,298,288)	(2,265,731)	(1,955,282)	(1,824,641)	
ENDING FUND BALANCE	\$ 4,599,463	\$ 4,154,919	\$ 3,318,033	\$ 1,689,477	\$ (615,504)	\$ (2,913,793)	\$ (5,179,524)	\$ (7,134,806)	\$ (8,959,447)	
GFOA Target of 60 days (approx. 16.67%)	4,503,933	4,412,466	4,387,777	4,471,702	4,669,751	4,762,575	4,867,738	4,939,275	5,043,046	
Reserve (shortfall) surplus to GFOA Target	95,531	(257,547)	(1,069,744)	(2,782,225)	(5,285,255)	(7,676,368)	(10,047,262)	(12,074,080)	(14,002,493)	
Ending Reserve - % Total Operating Expenditures	17.02%	15.70%	12.61%	6.30%	-2.20%	-10.20%	-17.74%	-24.08%	-29.62%	

STRATEGIES

- INCREASE BUSINESS LICENSE FEES FOR 2025 - \$100,000
- TERMINATE WESLEY CONTRACT/REORGANIZE SENIOR SERVICES/RECREATION/EVENTENTS AND FACILITY RENTALS - \$200,000

STRATEGIES (CONT.)

- FULLY FUNDING VEHICLE REPLACEMENT - \$1.3 MILLION
- FULLY FUNDING VEHICLE MAINTENANCE - \$780,000
- RETAINING COMPUTER REPLACEMENT FUNDS - \$100,000
- MOVE SOFTWARE AND HARDWARE PURCHASES FROM GENERAL FUND TO COMPUTER REPLACEMENT FUND - \$130,000
- HUMAN SERVICES UTILIZES OPIOID FUNDS - \$50,000
 - **UPDATE:** COST CAN BE REDUCED TO \$150,000 WITH OPIOID COVERING \$10,000

STRATEGIES (CONT.)

- MOVE 2018 BOND PAYMENT FROM GENERAL FUND TO REAL ESTATE EXCISE TAX - \$226,000
- RETAINING ONE-TIME TAX- \$275,000
- FREEZING IT DIRECTOR AND SENIOR EVENTS PLANNER - \$303,480
- DECREASE CITY MANAGER PROFESSIONAL SERVICES- \$95,000
- REMOVE BURIEN CARES CONTRACT - \$100,000

STRATEGIES (CONT.)

- ELIMINATE CITY CURRENTS - \$80,000
- REDUCE COLA TO 3% FOR GENERAL EMPLOYEES - \$75,000
- MOVE FRANCHISE FEES FROM PAVEMENT FUND TO GENERAL FUND - \$583,000
- END BUDGET SOFTWARE SUBSCRIPTION (2026) - \$40,000
- CLOSE SJU PARK BATHROOM/PARKING - \$40,000

STRATEGIES ON DECK

- WAREHOUSE SQUARE-FOOTAGE TAX- \$620,000
- UTILITY TAX ON NON-FRANCHISE PROHIBITED UTILITIES - \$88,500

CLOSING THE GAP

	2025	2026
September 5	-\$4,589,921	-\$4,333,924
October 1	-\$836,886	-\$1,628,556
Gain	\$3,753,035	\$2,705,368

DEVELOPMENT FUND FORECAST

2025-2031 DEVELOPMENT FUND									
	REVISED ANNUAL	PROJECTED	BUDGET		FORECAST				
	BUDGET	ACTUALS	2025	2026	2027	2028	2029	2030	2031
	2024	2024							
BEGINNING FUND BALANCE	\$ 1,402,794	\$ 1,299,846	\$ 902,615	\$ 695,333	\$ 369,183	\$ 94,273	\$ (171,139)	\$ (426,162)	\$ (669,862)
Operating Revenues									
Licenses and Permits	962,270	1,108,000	1,037,264	1,095,271	1,127,601	1,160,969	1,195,306	1,230,640	1,267,003
Intergovernmental	110,000	212,844	97,749	97,749	112,000	112,000	112,000	112,000	112,000
Fees/Charges/Fines	1,643,192	1,590,240	1,596,049	1,521,269	1,567,417	1,607,899	1,649,596	1,692,544	1,736,780
Other	63,000	275,563	154,184	144,133	166,804	167,908	169,045	170,217	171,423
	2,778,462	3,186,647	2,885,246	2,858,422	2,973,822	3,048,776	3,125,947	3,205,401	3,287,206
Operating Expenditures									
Salary And Benefits	2,553,891	2,553,965	2,329,169	2,399,044	2,447,025	2,495,965	2,545,885	2,596,802	2,648,739
Supplies	42,380	42,380	45,351	46,853	48,259	49,707	51,198	52,734	54,316
Services	986,553	987,533	718,008	738,674	753,447	768,516	783,887	799,564	815,556
	3,582,824	3,583,878	3,092,528	3,184,572	3,248,732	3,314,189	3,380,970	3,449,101	3,518,610
Net Activity	(804,362)	(397,231)	(207,282)	(326,149)	(274,910)	(265,413)	(255,023)	(243,700)	(231,404)
Operating revenues over (under)									
Change in Fund Balance	(804,362)	(397,231)	(207,282)	(326,149)	(274,910)	(265,413)	(255,023)	(243,700)	(231,404)
ENDING FUND BALANCE	\$ 598,432	\$ 902,615	\$ 695,333	\$ 369,183	\$ 94,273	\$ (171,139)	\$ (426,162)	\$ (669,862)	\$ (901,267)

MARINA FUND FORECAST

2025-2031 MARINA FUND FINANCIAL FORECAST

	BUDGET 2024	REVISED BUDGET 2024	BUDGET 2025	BUDGET 2026	FORECAST				
					2027	2028	2029	2030	2031
BEGINNING NET POSITION	\$ 28,959,052	\$ 16,883,153	\$ 16,585,168	\$ 1,755,127	\$ 2,045,177	\$ 2,412,271	\$ 2,832,228	\$ 3,552,657	\$ 4,325,834
Operating Revenues	5,061,167	5,061,167	5,386,217	5,861,817	6,029,506	6,186,441	6,331,648	6,477,924	6,625,290
Operating Expenses	(4,200,484)	(4,200,484)	(4,530,592)	(4,520,348)	(4,672,856)	(4,779,008)	(4,869,727)	(4,964,333)	(5,063,320)
Operating Income (Loss) excluding depreciation	860,683	860,683	855,625	1,341,469	1,356,650	1,407,433	1,461,921	1,513,591	1,561,969
Interest & Miscellaneous Revenue	102,800	102,800	108,330	108,980	112,295	115,102	117,404	119,752	122,147
Capital Improvements	(7,687,000)	(482,000)	(14,692,000)	(60,000)	-	-	-	-	-
Debt Service	(1,272,523)	(779,468)	(1,101,996)	(1,100,399)	(1,101,851)	(1,102,578)	(858,897)	(860,166)	(860,800)
Total Capital Improvements & Debt Service	(8,856,723)	(1,158,668)	(15,685,666)	(1,051,419)	(989,556)	(987,476)	(741,493)	(740,414)	(738,653)
Total Net Activity	(7,996,040)	(297,985)	(14,830,041)	290,050	367,094	419,957	720,429	773,177	823,317
ENDING NET POSITION	\$ 20,963,012	\$ 16,585,168	\$ 1,755,127	\$ 2,045,177	\$ 2,412,271	\$ 2,832,228	\$ 3,552,657	\$ 4,325,834	\$ 5,149,151
Capital Improvements:									
Marina Dredging	\$ 406,000	\$ 406,000							
Marina Guest Moorage Power Upgrades	6,000	6,000							
Tenant Restroom Replacement			783,000						
Dock Electrical Replacements	60,000	60,000	60,000	60,000	60,000				
Marina Dock Replacement	10,000	10,000	13,729,000						
CSR Roof Replacement			70,000						
All Purpose Building			50,000		1,000,000				
Total Capital Improvements	\$ 482,000	\$ 482,000	\$ 14,692,000	\$ 60,000	\$ 1,060,000	\$ -	\$ -	\$ -	\$ -

NOTE: No General Fund tax revenue is used to pay for Marina operations.

SURFACE WATER MANAGEMENT FUND FORECAST

2025-2031 SURFACE WATER MANAGEMENT FUND FINANCIAL FORECAST

	BUDGET	REVISED BUDGET	BUDGET	BUDGET	FORECAST				
	2024	2024	2025	2026	2027	2028	2029	2030	2031
<i>BEGINNING NET POSITION</i>	\$ 30,272,432	\$ 31,112,974	\$ 27,518,429	\$ 27,393,732	\$ 26,877,907	\$ 24,575,768	\$ 25,304,283	\$ 24,680,967	\$ 26,790,898
Operating Revenues	5,459,436	5,459,436	5,764,001	5,936,907	6,114,966	6,298,332	6,487,164	6,681,627	6,881,889
Operating Expenses	(3,784,981)	(3,784,981)	(4,521,698)	(4,368,732)	(4,481,035)	(4,576,545)	(4,654,863)	(4,734,747)	(4,816,229)
<i>Operating Income (Loss) excluding depreciation</i>	1,674,455	1,674,455	1,242,303	1,568,175	1,633,931	1,721,787	1,832,302	1,946,880	2,065,661
Storm Drainage Hook-Up Fees	70,000	70,000	30,000	31,000	31,930	32,728	33,383	34,050	34,731
Interest Income	20,000	20,000	60,000	30,000	20,000	15,000	15,000	15,000	15,000
Grants for Capital	613,000	613,000	637,000	325,000	250,000	250,000	250,000	250,000	250,000
Capital Improvements	(3,123,000)	(5,972,000)	(2,094,000)	(2,470,000)	(4,238,000)	(1,291,000)	(2,754,000)	(136,000)	-
<i>Total Change</i>	(745,545)	(3,594,545)	(124,697)	(515,825)	(2,302,139)	728,515	(623,316)	2,109,931	2,365,392
<i>ENDING NET POSITION</i>	\$ 29,526,887	\$ 27,518,429	\$ 27,393,732	\$ 26,877,907	\$ 24,575,768	\$ 25,304,283	\$ 24,680,967	\$ 26,790,898	\$ 29,156,290

SURFACE WATER MANAGEMENT FUND FORECAST (CONT.)

2025-2031 SURFACE WATER MANAGEMENT FUND FINANCIAL FORECAST

	BUDGET	REVISED BUDGET	BUDGET	BUDGET	FORECAST				
	2024	2024	2025	2026	2027	2028	2029	2030	2031
Capital Improvements:									
Barnes Crk/Kent-Des Moines Rd Culvert		\$ 1,705,000							
Deepdene Plat Outfall Replacement		16,000	175,000						
24th Ave Pipeline Replacement/Upgrade		1,003,000	220,000						
KDM /16th Avenue A Pipe Replacement		544,000	-						
DMMD 208th to 212th Pipe Project		1,780,000	220,000						
Massey Creek Pocket Estuary and Fish Passage		144,000	138,000						
Des Moines Creek Estuary Restoration		182,000	265,000	350,000	2,500,000				
216th Pl./ Marine View Dr. Pipe Upgrade		546,000	110,000		-				
1st Ave Pump Replacement		48,000	-		-				
Pipe Repair and Replacement Project Program		4,000	131,000	135,000	136,000	136,000	136,000	136,000	
6th Pl/287th Street Pipe Replacement			414,000	545,000	-	-	-	-	
S. 200th St. Drainage Improvements			250,000	250,000	-	-	-	-	
MVD Pond Retrofit			172,000	689,000	-	-	-	-	
5th Ave/212th Street Pipe Upgrade				457,000	1,331,000	-	-	-	
13th Ave S Bioswale Retrofit				44,000	171,000	-	-	-	
Service Center Material Storage Improvments					100,000	-	-	-	
KDM/16th Ave B Pipe Project						495,000	1,446,000		
232nd St (10th to 14th) Pipe Project						332,000	965,000		
258th St (13th Pl to 16th Ave) Pipe Project						259,000	207,000		
S 234th Pl Pipe Project						69,000	-		
Total Capital Improvements	\$ -	\$ 5,972,000	\$ 2,095,000	\$ 2,470,000	\$ 4,238,000	\$ 1,291,000	\$ 2,754,000	\$ 136,000	\$ -

CITY COUNCIL STUDY SESSION



Speaker Sign-Up Sheet

Comments from the public must be limited to the items of business on the study Session Agenda. Please sign in prior to the meeting and limit your comments to three (3) minutes.

October 03, 2024

NAME (PLEASE PRINT)	ADDRESS	TOPIC	PHONE/E-MAIL ADDRESS
✓ Bill Lumscomb	Des Moines	Budget	scanned